



STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

NEWS RELEASE

05-17

Arnold Schwarzenegger, Governor

Wayne Strumpfer, Acting Commissioner

FOR IMMEDIATE RELEASE

Contact: Susie Wong,
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December 15, 2005

CALIFORNIA DEPARTMENT OF CORPORATIONS BRINGS ENFORCEMENT ACTION AGAINST COMMODITIES FIRM OPERATING ILLEGALLY IN SOUTHERN CALIFORNIA

*Majority of 44 investors from Los Angeles, Orange County and San Diego;
allegedly defrauded of at least \$4.4 million involving foreign currency investments*

(Sacramento, CA)— The California Department of Corporations (Corporations) announced that it has issued a desist-and-refrain order against Universal Money Traders, Inc. (Universal), of Solana Beach to halt the illegal solicitation of customers to trade commodity contracts or foreign currency. As many as 44 Universal customers from Los Angeles, Orange County and San Diego had losses of at least \$4.4 million. The order also named Mark Todd Hauze, Thomas V. Moore, Thomas Mooreland, and Shalice Ann Emerson.

The Corporations order alleges that, from 2003 through spring 2005, Hauze, Moore, Mooreland, and Emerson solicited the general public to trade commodity contracts or foreign currency through Universal's Web site and direct telephone marketing calls.

According to the order, Hauze, Moore, Mooreland, and Emerson never revealed to customers that the four of them were not registered with the Commodity Futures Trading Commission (CFTC) to trade commodity contracts or foreign currency. In 2002, Hauze's CFTC registration was suspended, he was barred from membership in the National Futures Association for three years, ordered to pay a \$15,000 fine and \$54,000 in restitution to four investors whose accounts he allegedly churned, trading accounts for the purpose of generating commissions without regard for customers' interest. In 1996 and 2001, the NASD ordered Moore to pay compensatory damages in two different instances for breach of fiduciary duty and misrepresentation.

"Before investors open an account, they should always check on a company's or individual's status," said acting Corporations Commissioner Wayne Strumpfer, whose department has regulatory jurisdiction over the California Commodities Law. "Trading commodities futures and options is not for everyone as it can be a volatile, complex and risky business."

Corporations counsel Ursula Clemons is responsible for this case.

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The Department of Corporations is California's investment and financing authority and is responsible for the regulation, enforcement, and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending, residential mortgage lending, and payday lenders. Contact our toll-free consumer resource center at 1-866-ASK-CORP (275-2677) for information or to obtain a consumer complaint form. Please visit Corporations' Web site at www.corp.ca.gov.

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DEPARTMENT OF CORPORATIONS

TO: Universal Money Traders, Inc.
Universal Money Traders, LLC
Universal Money Traders
Mark Todd Hauze, President/CEO and Manager
Thomas V. Moore, Senior Account Manager
Thomas Mooreland, Board of Directors
Shalice Ann Emerson, Officer (Secretary)
505 Lomas Santa Fe Drive, Suite 240
Solana Beach, CA 92075

DESIST AND REFRAIN ORDER
(For violations of sections 29520 and 29536 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Mark Todd Hauze ("Hauze") is the President, Chief Executive Officer and Chief Financial Officer of Universal Money Traders, Inc. a California Corporation (also known as Universal Money Traders), as well as the Manager of Universal Money Traders, LLC. The companies are hereafter collectively referred to as "UMT" and are located at 505 Lomas Santa Fe Drive, Suite 240, Solana Beach, California 92075.
2. Thomas V. Moore ("Moore") represented himself to be a Senior Account Manager of UMT, at all relevant times.
3. Thomas Mooreland ("Mooreland") is listed as a Director of UMT on the Secretary of State documents filed by UMT, at all relevant times.
4. Shalice Ann Emerson ("Emerson") is listed as an Officer (Secretary) of UMT on the Secretary of State documents filed by UMT, at all relevant times.
5. Beginning in or about 2003 and continuing through approximately spring 2005, UMT, Hauze, Moore, Mooreland and Emerson offered to sell commodities contracts, or offered to enter into, or entered into transactions, as sellers or purchasers of foreign currencies, in the state of California.

6. The foreign currencies purchased or sold, or offered to be purchased, or sold under the commodity contracts were commodities within the meaning of Section 29504 of the California Commodity Law of 1990.

7. Through direct sales, the UMT website: www.umtfx.com, and telephone (“cold call”) solicitations, UMT, Hauze, Moore, Mooreland and Emerson solicited commodity investments through UMT.

8. UMT, Hauze, Moore, Mooreland and Emerson willfully failed to disclose to investors that:

- a. Hauze, Moore, Mooreland and Emerson were not registered with the Commodity Futures Trading Commission (“CFTC”) beginning in or about 2003 and continuing to the present.
- b. Effective June 7, 2002, Hauze was barred from National Futures Association (“NFA”) membership and Associate and Principal status with any NFA Member for three years and ordered to pay a \$15,000 fine for violations of C.R. 2-2(a) (cheat, fraud, deceive customers) and C.R. 2-9 (supervision of employees).
- c. On September 27, 2002, pursuant to an Administrative Law Judge decision, Hauze was found to have engaged in a scheme to churn a client’s account in violation of Section 4b(A) of the Commodity Exchange Act, and 7 U.S.C. section 6b(A), resulting in monetary damages.
- d. Effective December 4, 2002, Hauze was prohibited from trading on any contract market and his CFTC registration was suspended in accordance with section 14(f) of the Commodity Exchange Act, 7 U.S. C. Sec. 18(F).
- e. In 1996 and 2001, Moore was found jointly and severally liable for breach of fiduciary duty and misrepresentation and was ordered to pay compensatory damages in two different reparation matters filed with National Association of Securities Dealers (“NASD”).

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1 Based upon the foregoing, the California Corporations Commissioner is of the opinion that
2 the investment accounts for trading in foreign currency, through UMT offered and sold by Universal
3 Money Traders, Inc., Universal Money Traders, LLC, Universal Money Traders, Mark T. Hauze,
4 Thomas V. Moore, Thomas Mooreland and Shalice A. Emerson offered and sold in this state in
5 violation of 29520 of the California Commodity Law of 1990. The California Corporations
6 Commissioner is also of the opinion that, in connection with these offers and sales, Universal Money
7 Traders, Inc., Universal Money Traders, LLC, Universal Money Traders, Mark T. Hauze, Thomas V.
8 Moore, Thomas Mooreland and Shalice A. Emerson willfully made untrue statements of material fact
9 and/or omitted to state material facts necessary in order to make the statements made, in light of the
10 circumstances under which they were made, not misleading in violation of section 29536 of the
11 California Commodity Law of 1990.

12 Pursuant to Section 29542 of the California Commodity Law of 1990, Universal Money
13 Traders, Inc., Universal Money Traders, LLC, Universal Money Traders, Mark T. Hauze, Thomas V.
14 Moore, Thomas Mooreland and Shalice A. Emerson are hereby ordered to desist and refrain from the
15 further sale or purchase or offer to sell or purchase any commodity under any commodity contract or
16 under any commodity option, or the further offer to enter into, or enter into, as seller or purchaser any
17 commodity contract or any commodity option, in the State of California, unless exempt.

18 Pursuant to Section 29542 of the California Commodity Law of 1990, Universal Money
19 Traders, Inc., Universal Money Traders, LLC, Universal Money Traders, Mark T. Hauze, Thomas V.
20 Moore, Thomas Mooreland and Shalice A. Emerson are hereby ordered to desist and refrain from the
21 further offer or sale of foreign currency contracts, or from the further offer to enter into, or from
22 entering into, as sellers or purchasers, foreign currency contracts, in the State of California, involving
23 investment accounts for trading in foreign currency, by employing any untrue statement of material
24 fact or omitting to state a material fact necessary in order to make statements made, in light of the
25 circumstances under which they were made, not misleading.

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Dated: November 29, 2005

Los Angeles, California

Los Angeles, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division